AMENDED IN SENATE SEPTEMBER 12, 2013

AMENDED IN SENATE SEPTEMBER 3, 2013

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AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

ASSEMBLY BILL

No. 852

Introduced by Assembly Member Quirk Dickinson

(Principal coauthor: Senator Steinberg)

February 21, 2013

An act to add and repeal Section 129788 of the Health and Safety Code, relating to health facilities, and making an appropriation therefor. An act to amend Section 21155.4 of the Public Resources Code, relating to environmental quality.

LEGISLATIVE COUNSEL'S DIGEST

AB 852, as amended, Quirk Dickinson. Health facility construction, alteration, or addition: review. Environmental quality: exemption.

The California Environmental Quality Act, commonly known as CEQA, requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project

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that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment.

This bill would revise the exemption from CEQA established by certain provisions of law for residential, employment center, and mixed-use development projects to require both the project and the appropriate specific plan to be consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy for which the State Air Resources Board has accepted as a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emissions reduction targets. Because a lead agency would be required to determine whether a project qualifies for this exemption, this bill would impose a state-mandated local program.

This bill would provide that the bill becomes operative only if SB 743 of the 2013–14 Regular Session is enacted.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law, the Alfred E. Alquist Hospital Facilities Seismie Safety Act of 1983, requires design and construction standards for hospital buildings that house patients who have less than the capacity of normally healthy persons to protect themselves. Existing law also requires that those standards specify that hospitals must be reasonably capable of providing services to the public after a disaster.

Existing law requires the Office of Statewide Health Planning and Development (OSHPD) to approve or reject all plans for the construction or alteration of a hospital building. Existing law specifically requires the office, contingent upon an appropriation in the annual Budget Act, to establish a program for training fire and life safety officers to facilitate the timely performance of the office's duties and responsibilities relating to the review of plans and specifications pertaining to the design and observation of construction of hospital buildings, as specified. Existing law authorizes the office to establish other training programs as

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necessary to ensure that a sufficient number of qualified persons are available to facilitate the timely performance of the office's duties and responsibilities, as specified.

Existing law authorizes the office to determine and assess an application fee not to exceed 2% of the project's estimated construction costs for certain hospital facilities, and not to exceed 1.5% of the estimated construction costs for prescribed skilled nursing facilities or intermediate care facilities. Existing law establishes the Hospital Building Fund, requires deposit of these fees into the fund, and continuously appropriates the moneys in the fund for the purposes of administration of these provisions.

This bill would, until January 1, 2019, increase the maximum fee assessed to certain of those skilled nursing facilities or intermediate care facilities to 2% of the project's estimated construction costs. By increasing the amounts to be deposited into a continuously appropriated fund, this bill would make an appropriation.

This bill would require OSHPD to develop, with stakeholders, and would require the Facilities Development Division of OSHPD to meet, reasonable timeframes for review and approval of skilled nursing facility and intermediate care facility construction, alteration, or addition projects, except as prescribed. The bill would require documents submitted for review to include the name and contact information of a project coordinator. The bill would authorize the office to seek outside assistance through contracts with qualified professional architectural or engineering firms to meet those timeframes. The bill would authorize OSHPD to, when feasible, publish standard requirements for design concepts for use by skilled nursing and intermediate care facilities when submitting plans for new construction, renovation, or replacement. The bill would authorize OSHPD to work with stakeholders to establish education and outreach programs directed at reducing document submission error rates and turnaround times. The bill would require OSHPD, if resources are available, to publish the timeframes and other requirements on its Internet Web site. The bill would provide that these provisions shall be operative until January 1, 2019.

Vote: majority. Appropriation: yes-no. Fiscal committee: yes. State-mandated local program: no-yes.

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The people of the State of California do enact as follows:

SECTION 1. Section 21155.4 of the Public Resources Code, 2 as added by Section 6 of Senate Bill 743 of the 2013-14 Regular 3 Session, is amended to read:

- (a) Except as provided in subdivision (b), a 21155.4. residential, employment center, as defined in paragraph (1) of subdivision (a) of Section 21099, or mixed-use development project, including any subdivision, or any zoning, change that meets all of the following criteria is exempt from the requirements of this division:
- (1) The project is proposed within a transit priority area, as defined in subdivision (a) of Section 21099.
 - (2) The project is undertaken to implement and is consistent with a specific plan for which an environmental impact report has been certified.
 - (3) The project—is and specific plan are consistent with the general use designation, density, building intensity, and applicable policies specified for the project area in either a sustainable communities strategy or an alternative planning strategy for which the State Air Resources Board, pursuant to subparagraph (H) of paragraph (2) of subdivision (b) of Section 65080 of the Government Code, has accepted a metropolitan planning organization's determination that the sustainable communities strategy or the alternative planning strategy would, if implemented, achieve the greenhouse gas emissions reduction targets.
 - (b) Further environmental review shall be conducted only if any of the events specified in Section 21166 have occurred.
 - SEC. 2. This measure shall not become operative unless Senate Bill 743 of the 2013–14 Regular Session is enacted.
- SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.
- SECTION 1. The Legislature finds and declares all of the 36 following:
 - (a) A variety of factors have contributed to making health facility construction costs in California among the highest in the nation.

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The costs are driven by the escalating price of raw materials, high demand for skilled labor, and the complexity of design, plan review, and approval of skilled nursing facility and intermediate care facility construction.

- (b) Skilled nursing facilities and intermediate care facilities are licensed health facilities that care for the state's most fragile and vulnerable citizens.
- (c) The physical infrastructure and related systems of these licensed health facilities are governed by building and fire and life safety code requirements regulated by the Office of Statewide Health Planning and Development, the Office of the State Fire Marshal, and the State Department of Public Health.
- (d) As the industry moves to update the aging health care infrastructure, incorporate advances in medical technology, implement a modern health care delivery system, and improve electronic medical records systems, health facility construction activity will increase to unseen levels, creating additional economic pressure on the skilled nursing, intermediate care, and construction industries.
- (e) Licensed health facilities are required to go through a building application and plan check process under the jurisdiction of the Office of Statewide Health Planning and Development.
- (f) This process is bureaucratically efficient, but is subject to inherent delays impacting timely approvals of projects. Although the Office of Statewide Health Planning and Development has developed internal policies that set timeframes for plan review and approval, these policies are targets rather than enforceable requirements.
- (g) Improving the efficiency of health facility building plan review and construction efforts will not only reduce the time to design, review, and complete facility construction, but also lower the cost of the project and reduce overall cost pressures on the health care system, allowing more resources to be directed to direct patient services.
- (h) Therefore, it is the intent of the Legislature to codify the timeframes and due dates for completion by the Office of Statewide Health Planning and Development of the review of facility construction documents and to require the office to notify applicants of the anticipated date the review will be completed and returned to them.

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1 SEC. 2. Section 129788 is added to the Health and Safety Code, to read:

129788. (a) For projects submitted by health facilities licensed pursuant to subdivisions (e) and (d) of Section 1250 that do not qualify for rapid review under Section 129880, the Facilities Development Division shall meet reasonable timeframes developed by the office, in conjunction with stakeholders, that include all of the following:

- (1) Preliminary review of documents submitted to the office.
- 10 (2) First review of new projects.
 - (3) Backchecks.

- (4) Amended construction documents.
- (b) Documents submitted to the office for new construction of, alteration of, or addition to, health facilities licensed pursuant to subdivisions (e) and (d) of Section 1250 shall include the name and contact information for an individual designated to be the project coordinator and shall be reviewed and approved within the timeframes set forth in this section.
- (c) In order to meet the review timeframes developed pursuant to this section, the office may seek outside assistance through contracts with qualified professional architectural or engineering firms.
- (d) If resources are available, the office may publish standard requirements, when feasible, for design concepts for use by skilled nursing facilities and intermediate care facilities when submitting plans for new construction, renovation, or replacement. Design concepts to be considered may include, but are not limited to, reduction in beds; installation and use of new technology, such as electronic medical records; space conversion dedicated to changes in care delivery models; and common replacement of major infrastructure equipment, including roofing, HVAC, generators and emergency power systems, water heaters and boilers, and kitchen and laundry room equipment.
- (e) The office may work with stakeholders to receive input for, or assistance with, the establishment of education and outreach programs directed at reducing document submission error rates and turnaround times. To the extent resources are available, the office shall publish on its Internet Web site these requirements, including, but not limited to, the timeframes developed pursuant to this section.

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(f) Notwithstanding subdivision (a) of Section 129785, the maximum application filing fee for a skilled nursing or intermediate care facility, as defined in subdivision (e) or (d) of Section 1250, shall not exceed 2 percent of a project's estimated construction cost.

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(g) This section shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.